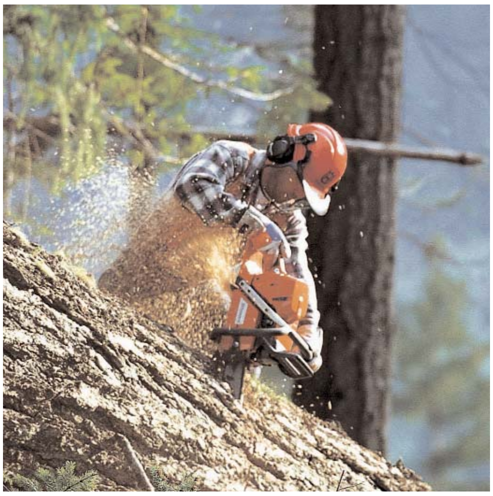
Information to the shareholders in AB Electrolux
pertaining to the decision at the Annual General Meeting on 24 April 2006

Electrolux

Proposal for distribution of shares in Husqvarna AB to AB Electrolux shareholders



Husqvarna

Contents

The Electrolux Board of Directors has proposed that the Annual General Meeting to be held on 24 April 2006 resolve to distribute all shares in Husqvarna AB by way of dividend distribution to the shareholders in Electrolux. This brochure contains information that is relevant to the decision and is being sent to all shareholders in Electrolux. It is also available at the Electrolux Head Office in Stockholm, Sweden and in electronic form at www.electrolux.com/ir

This document is only a summary relating to the proposed distribution of Husqvarna shares. Electrolux shareholders are encouraged to read the entire prospectus before voting on the proposed distribution.

This brochure contains forward-looking statements in the sense referred to in the American Private Securities Litigation Reform Act of 1995. Such statements comprise, among other things, financial goals, goals of future business and financial plans. These statements are based upon present expectations and are subject to risks and uncertainties that may give rise to major deviations of the result due to several aspects. These aspects include, among other things: consumer demand and market conditions in the geographical areas and lines of business in which Husqvarna operates, the effects of currency fluctuations, downward pressure on prices due to competition, a material reduction of sales by important distributors, any success in developing new products and in marketing, outcome of any product responsibility litigation, progress when it comes to reach the goals set for productivity and efficient use of capital, successful identification of growth opportunities and acquisition objects, and to integrate these into the existing business and successful achievement of goals to make the supply chain more efficient.

A complete presentation of all terms and instructions as well as other information is contained in the prospectus that is available at the Electrolux Head Office, at www.electrolux.com/ir, at SEB Enskilda, Nybrokajen 5, Stockholm, Sweden and at www.seb.se/prospekt

An English version of the prospectus is also available on request by telephone at +46 8 449 89 49 or by e-mail to electrolux@strd.se

Background and goals

The Electrolux Board of Directors decided in February 2005 that the Group's operation in Outdoor Products should be spun off as a separate unit and distributed to the Electrolux shareholders in a cost-efficient manner.

The current Board of Directors of Electrolux now proposes that the shareholders at the company's Annual General Meeting on 24 April 2006 resolve to distribute, in addition to a dividend of SEK 7.50 per share, all shares in the wholly-owned subsidiary Husqvarna to Electrolux shareholders.

The new Husqvarna Group will thus comprise the previous Outdoor Products segment within Electrolux. Since the acquisition of Husqvarna by Electrolux in 1978, Outdoor Products has performed very well, showing good growth and profitability, and has achieved leading positions in the global market. In 2005, net sales amounted to SEK 28.8 billion and operating income to SEK 3.1 billion. The average number of employees was 11,681, in about 40 countries.

In recent years it has become clear that operational synergies between the Electrolux Indoor and Outdoor Products operations are very limited. The strategic orientations of the two operations also differ to some extent. Within Indoor Products, the primary focus over the next few years is to implement previously announced restructuring in order to achieve greater cost-efficiency, and to continue to build the Electrolux brand through investments in product development and marketing.

Within Outdoor Products, although some product categories are exposed to strong competition and downward pressure on prices, which requires high internal efficiency, the main focus is to utilize the good opportunities available for growth, both organically and through selective acquisitions.

Streamlining Electrolux by dividing the Group into two separate operations, one for Indoor Products and one for Outdoor Products, will make it easier for management and the Boards to utilize the operational and strategic opportunities within each area.

The Board of Electrolux considers that dividing the Group and distributing the shares in Husqvarna will create greater long-term value for shareholders. Listing Husqvarna separately would give both existing and new shareholders an opportunity to invest directly in the company, which would also enable financing the company's future expansion through issues and transfers of own shares.

In addition, a separate listing of Husqvarna would enable greater transparency for both operations, while shareholders would be able to adjust their holdings in the two companies in accordance with their own needs.

Stockholm in April 2006
AB Electrolux (publ)

Terms and instructions

Provided that the Electrolux Annual General Meeting to be held on 24 April 2006 resolves to distribute all shares in Husqvarna to the shareholders in Electrolux by way of dividend distribution, a person registered as a shareholder on the record day for the dividend will be entitled to receive one share in Husqvarna for every share held in Electrolux. Except for being a registered shareholder on the record day, no additional measures are required in order to receive shares in Husqvarna.[1]

Distribution ratio

One series A share in Husqvarna will be received for each series A share in Electrolux, and one series B share in Husqvarna for each series B share in Electrolux.

Record day

In order to determine the persons entitled to receive shares in Husqvarna, it is intended that the record day at VPC AB (Swedish Central Securities Depositary & Clearing Organization) be set to the second week in June 2006. As soon as the record day has been determined it will be announced by Electrolux through a press release, which is estimated to be published at the end of May 2006.

Receipt of shares

Persons who on the record day are registered as shareholders in VPC's register of shareholders in Electrolux will automatically receive shares in Husqvarna without further arrangements.[1] The shares in Husqvarna will be available in each shareholder's VPC account the day after the record day (or in VPC accounts belonging to those who, for some other reason, are entitled to the dividend). VPC will then send a notice stating the number of shares registered in the VPC account of the receiver.[2]

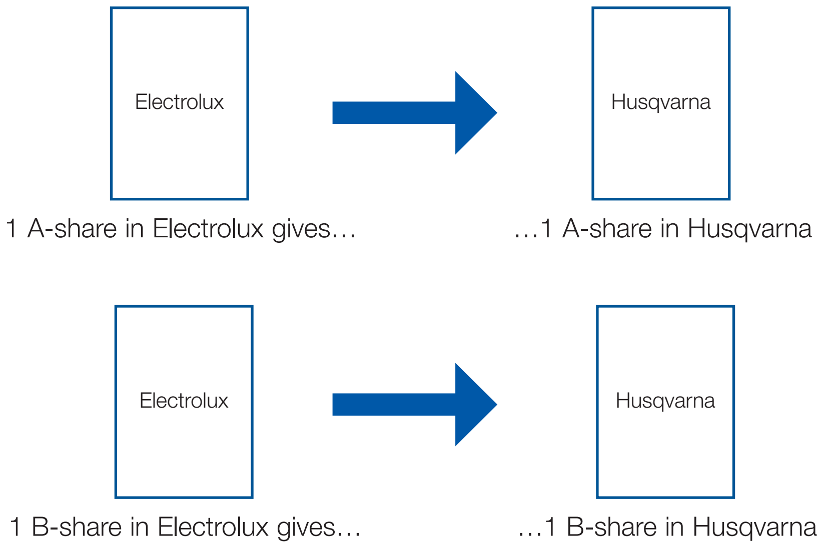
Nominee shareholding

Shareholders whose holdings in Electrolux are nominee-registered with a bank or another nominee will not receive a notice from VPC. Notification will instead be made in accordance with the general practice of the nominees.

Stock Exchange listing

The Board of Directors of Husqvarna intends to apply for listing of the company's shares of series A and series B on the O-list of the Stockholm Stock Exchange. Trading in the shares is estimated to start during the second week in June 2006. The exact first day of listing will be announced through a press release.

Example – Receipt of shares



A person who is registered as a shareholder in Electrolux on the record day will automatically receive shares in Husqvarna without further arrangements.

1) Regarding holders of Electrolux group´s American depository receipts, so-called ADRs, other regulations apply for the proposed dividend. Please refer to the prospectus for more information.
2) In accordance with the private letter ruling by the US Internal Revenue Service, which is described on p. 22, the distribution must be completed no later than 27 June 2006.

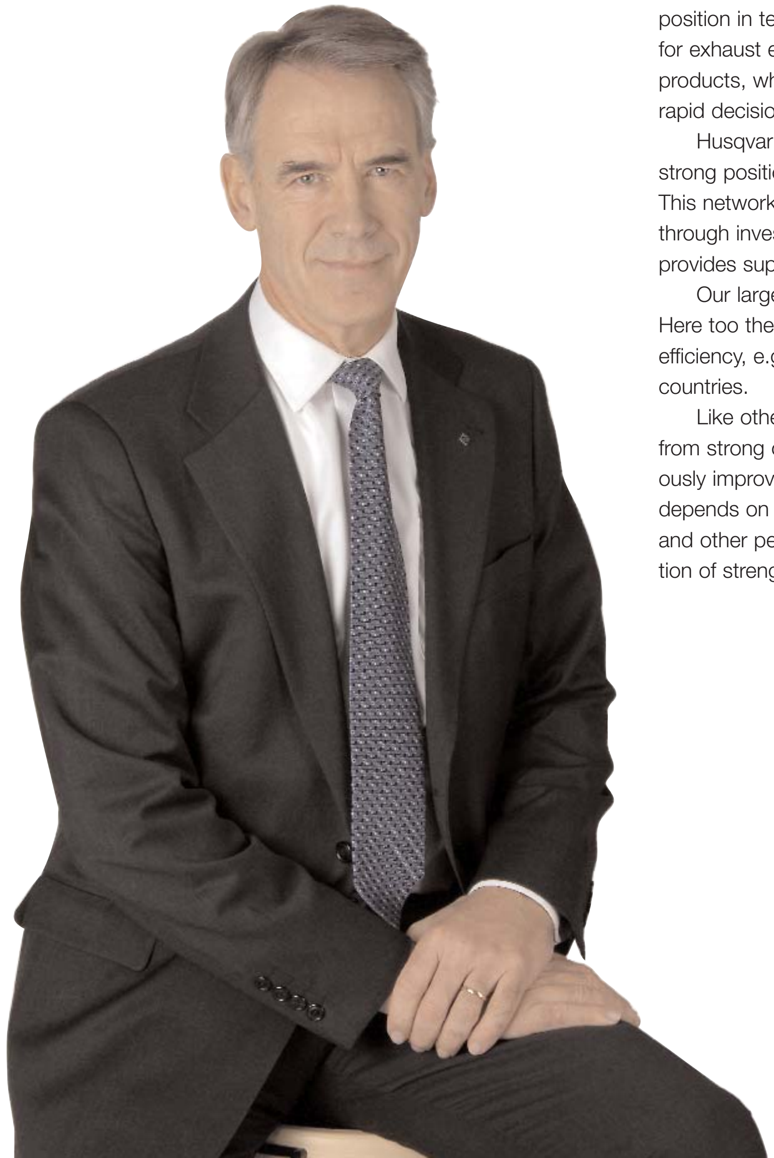
Comments by the President of Husqvarna

Husqvarna is the world's largest producer of chainsaws and other portable petrol-powered outdoor products, as well as lawn mowers. The Group is also one of the world's largest producers of garden tractors as well as cutting equipment and diamond tools for the construction and stone industries.

Husqvarna has a long history of technological expertise, starting with a weapons foundry as early as 1689. The first Husqvarna motorcycle was produced in 1903 and marked the beginning of an era in which expertise in engines became one of the company's major assets. Among other things, this expertise enabled the company to start producing chainsaws around 1960.

After the company was acquired by Electrolux in 1978, Husqvarna chainsaws became the foundation of the Outdoor Products operation, which expanded continuously through both organic growth and acquisitions. At the time, the company had annual sales of approximately SEK 700 million, which by 2005 had grown to SEK 28.8 billion. Our operations have grown with good profitability and stable margins.

The Electrolux Board of Directors now considers that Husqvarna's size and strong global market positions provide a potential for better development as a separate company. This is a positive and stimulating challenge for Husqvarna's management. We are convinced that there are good opportunities for developing the company and creating value for shareholders through continued good growth and high profitability.



Our strategy for achieving these goals is based on the strength of the Husqvarna brand, our global sales organization, expertise in product development, large production volumes, and experience in integrating acquisitions.

Today, Husqvarna is a well-known global brand that stands for technological leadership and high quality, primarily for chainsaws and other portable products. We have built the brand over many years through consistent investment in product development, marketing and service. In recent years the Husqvarna brand has been successfully launched in other product categories. I believe that there are good opportunities to utilize the strength of the brand in additional areas.

Continued investment in product development will be decisive for maintaining and strengthening the position of the Husqvarna brand. Husqvarna's expertise in portable petrol-powered products is a major asset which among other things has given us a leading position in terms of meeting the increasingly more rigorous criteria for exhaust emissions. Other strengths include our passion for products, which together with our focus on cost-efficiency and rapid decision-making are vital parts of our corporate culture.

Husqvarna has an efficient global distribution network and strong positions with major retailers as well as servicing dealers. This network has also been built over many years, primarily through investments in our own global sales organization, which provides support and service to retailers.

Our large volumes comprise a good base for production. Here too there are opportunities for further improvements in cost-efficiency, e.g. through increased purchasing from low-cost countries.

Like other industrial companies, we face great challenges from strong competitors, which means that we have to continuously improve all aspects of Husqvarna's operations. Success depends on access to highly capable people, both management and other personnel. And I believe that here also we are in a position of strength.

Bengt Andersson
President
Husqvarna AB

Husqvarna's business mission, competitive advantages, goals and strategies

Business mission

Husqvarna's business mission is to develop, manufacture and market mainly power products for forestry and lawn and garden maintenance, as well as cutting equipment for the construction and stone industries. The product range includes products for both consumers and professional users.

Competitive advantages

Husqvarna's operations have shown stable growth and high profitability for many years. This has been achieved on the basis of competitive advantages that include:

- Leading positions in the global market for approximately 90% of the Group's product areas
- Strong position for the Husqvarna brand for chainsaws in the high-end segments
- High degree of technical expertise and substantial resources in product development
- Broad product range for many different customer segments, and a global distribution network
- Global sales and service organization
- Strong positions with leading retailers
- Efficient supply chain for consumer products in the US
- Complementary acquisitions that have been quickly integrated in operations.

Operational goals and strategies

Husqvarna's goal is to continue to create value for shareholders through good growth and high profitability. To achieve these goals Husqvarna shall be the world leader in the product areas and market segments in which the Group operates. The Group's activities are focused primarily on:

- Organic growth through e.g. investments in product development and efficient use of the Group's global networks for sales and distribution
- Greater cost-efficiency through e.g. relocation of selected production and increased purchases from low-cost countries
- Continued consolidation and increased efficiency within administration as well as sales and marketing functions
- Complementary acquisitions.

Financial goals

Growth in net sales

The Group's long-term goal is to achieve annual organic growth of approximately 5% over the course of a business cycle. Husqvarna also aims at growth through complementary acquisitions.

Operating margin

Husqvarna's long-term goal is to achieve an operating margin of more than 10% over the course of a business cycle.

Capital structure

The goal is that Husqvarna's capital structure should correspond to a long-term credit rating of at least BBB in accordance with the credit rating principles applied by Standard & Poor's or similar institutions. It is considered that this currently requires that the long-term seasonally adjusted net debt in relation to operating income before depreciation and amortization (EBITDA) does not exceed a multiple of 2.5.

Dividend policy

It is the intention of the Husqvarna Board to give shareholders a dividend that reflects a good direct yield as well as dividend growth, and to implement a policy in which the level of the dividend is linked to Husqvarna's earnings, financial position and other factors which the Board considers to be relevant. In the long term the annual dividend shall correspond to 25–50% of the Group's net income.

Husqvarna's operations and market

Husqvarna is the world's largest producer of chainsaws and other portable petrol-powered garden equipment such as trimmers and leaf blowers, as well as lawn mowers. Husqvarna is also one of the world's largest producers of garden tractors as well as cutting equipment for the construction and stone industries. These product areas account for approximately 90% of Husqvarna's net sales. In 2005 Husqvarna reported net sales of SEK 28.8 billion.

Key data

SEKm, unless otherwise stated	2005 Pro forma[1)]	2005[2)]	2004[2)]	2003[3)]
Net sales	28,768	28,768	27,202	26,819
Operating income	2,871	3,111	3,128	2,955
Operating margin, %	10.0	10.8	11.5	11.0
Net assets	10,017	10,345	8,551	8,788
Return on net assets, %	25.2	26.6	31.3	29.5
Investments	–[4)]	1,259	1,040	923
Average number of employees	–[4)]	11,681	11,657	11,392

1) See the section Summary of Husqvarna pro forma financial statements on p. 14.
2) Reported in accordance with IFRS.
3) Reported in accordance with standards and interpretations issued by the Swedish Financial Accounting Standards Council.
4) Not reported in the section Summary of Husqvarna pro forma financial statements.

The market

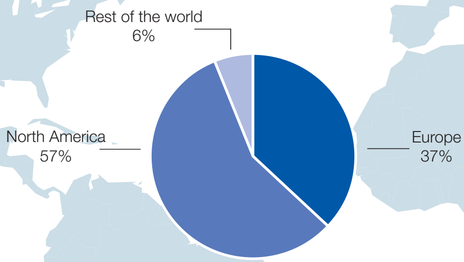
The global market for Husqvarna's consumer garden equipment and professional products for the Forestry, Lawn and garden and Construction user areas is estimated at approximately SEK 150 billion annually. North America accounts for approximately 60% of the global market, Europe for more than 30%, and the rest of the world for less than 10%.

Demand is driven overall by the general economy, the level of activity in the forest and construction industries, and private consumption of household capital goods. Average annual growth in global demand over a business cycle is estimated by Husqvarna at 2–3% in terms of volume. Strong local variations may occur as a result of weather conditions, primarily regarding garden equipment for both consumers and professional users, which also shows strong seasonal variations, and most of the sales are during the first half of the year.

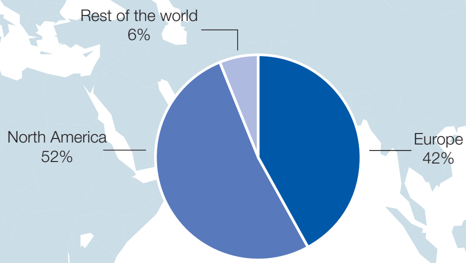
Major factors for success comprise strong brands, product development, a well-developed distribution network and an efficient supply chain that can handle the substantial seasonal and weather-related variations in demand.

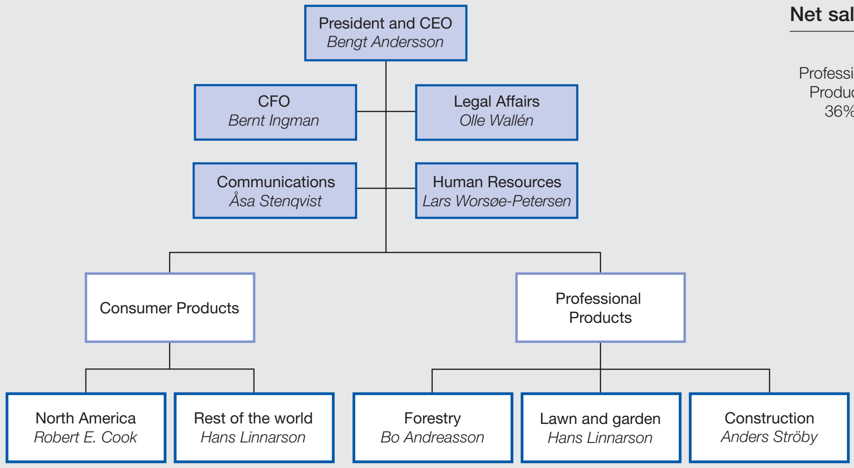
The business models for Husqvarna's two business areas differ in several respects. The major share of consumer products are sold through large retail chains, primarily Sears, but also Lowe's, Wal-Mart and Home Depot in the US, and B&Q, Carrefour, Bauhaus and K-Rauta in Europe. Professional products are sold either through servicing dealers, or directly to end-users. However, consumer products are also sold through servicing dealers.

Net sales 2005, by geographical area

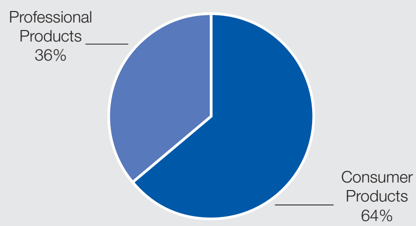


Average number of employees 2005, by geographical area





Net sales 2005, by business area



Business areas and organization

Operations in Husqvarna are organized in two business areas: Consumer Products and Professional Products.

Consumer Products comprises two geographical areas, i.e. North America and Rest of the world. Professional Products comprise three user areas, i.e. Forestry, Lawn and garden, and Construction.

Consumer Products

In this business area Husqvarna develops, manufactures and markets a wide range of consumer products for garden care, such as lawn mowers, garden tractors, trimmers, leaf blowers, hedge cutters, snow throwers and chainsaws.

Sales in 2005 amounted to SEK 18.4 billion, corresponding to 64% of Husqvarna's total net sales. The average number of employees was 6,054.

Operations comprise two geographical areas: North America and Rest of the world. Operations are subject to considerable seasonal variations, and the greater part of sales are during the first half of the year. Demand depends on a number of factors, including weather conditions and the length of the growing season.

Products and brands

The range of consumer products includes:

- Petrol-powered wheeled equipment such as lawn mowers, garden tractors and snow throwers.
- Petrol-powered portable equipment such as chainsaws and trimmers.
- Electrically powered equipment such as lawn mowers, Automower, the automatic lawn mower, trimmers, hedge cutters and leaf blowers.

The brands are:

- Husqvarna and Jonsered for high-performance wheeled and portable products, globally.
- Flymo for electrically-powered high-performance products, and Partner and McCulloch for lower-end petrol-powered products, in Europe.
- Poulan, Poulan Pro and Weed Eater for petrol-powered low-end portable and wheeled products in the US.

In addition to own-branded products, the Group supplies selected retail chains with products under their private labels.

Garden products are exposed to strong competition and downward pressure on prices. High internal efficiency is a prerequisite for profitability. Strong brands built on successful product development, high quality and consistent marketing are important, and normally enable higher profit margins. Husqvarna, Jonsered and Flymo are such brands. These brands still account for a small share of Group's total sales of consumer products, but have increased substantially in the past years.

Key data[1)]

Consumer Products

SEKm, unless otherwise stated	2005[2)]	2004[2)]	2003[3)]
Net sales	18,360	17,579	17,223
Operating income	1,372	1,607	1,493
Operating margin, %	7.5	9.1	8.7
Net assets	5,719	4,646	4,498
Return on net assets, %	19.2	27.6	25.6
Capital expenditure	859	587	571
Average number of employees	6,054	6,041	5,633

1) Key data correspond to the information reported by Electrolux for the Outdoor Products segment.
2) Reported in accordance with IFRS.
3) Reported in accordance with standards and interpretations issued by the Swedish Financial Accounting Standards Council.

Consumer Products	Major brands	Location of major plants	Major competitors
North America	Husqvarna Poulan Weed Eater	USA	John Deere MTD Stihl Toro
Rest of the world	Husqvarna Jonsered Flymo Partner McCulloch	Sweden UK	Bosch GGP Stihl

Consumer products in North America

The greater share of sales in North America refer to mass-market products under the Poulan and Weed Eater brands, as well as deliveries to Sears under its Craftsman brand. However, high-performance products under the Husqvarna brand account for a growing share of sales. In 2005 the North American operation accounted for approximately two-thirds of total sales within Consumer Products.

Market position

The Group has strong market positions, particularly for lawn mowers, garden tractors, trimmers and chainsaws. Market shares are estimated at approximately 25–40% depending on product category, with the highest shares for lawn mowers and chainsaws.

Customers and distribution

Consumer products are sold in North America mainly through large nation-wide and regional chains of retailers and DIY outlets, in particular Sears but also Lowe's, Home Depot and Wal-Mart.

The Sears retail chain is Husqvarna's largest customer. Sears is the world's largest retailer of outdoor consumer products, under the Craftsman brand, and has a market share of approximately 30% in the US.

The Group has been the main supplier to the Craftsman brand since the late 1980s. Deliveries include both wheeled and portable products such as garden tractors, lawn mowers, trimmers, leaf blowers and chainsaws.

Sales to Sears have shown good growth over the years. The Group has been able to maintain its position as Sears' main supplier mainly on the basis of a strong product range and high cost-efficiency in production as well as other parts of the supply chain.

Production

Products are manufactured at four plants in the US: two in Arkansas for portable equipment, one in South Carolina for garden tractors, and one in Georgia for lawn mowers.

Husqvarna is one of the world's largest producers of garden tractors.

The Group manufactures a wide range of garden equipment that includes grass trimmers.

The Group is the market leader in the US for consumer chainsaws, under the Poulan, Poulan Pro and Weed Eater brands.

Automower is an automatic battery-powered lawn mower that needs no supervision.

The new Flymo "easibag" lawn mower collects and packs grass cuttings in a biodegradable bag.

Consumer products in Rest of the world

The Group offers a broad range of petrol- and electrically-powered products, both wheeled and portable.

In 2005 operations in Rest of the world accounted for approximately one-third of total sales of consumer products. The greater share of sales refer to Western Europe, where the Group has been a market leader for many years in electrically-powered products in the UK and Scandinavia, under the Flymo brand.

The Group also has strong market positions for chainsaws for the consumer market under the Husqvarna, Partner and McCulloch brands, as well as for garden tractors under the Husqvarna brand. The Jonsered and Partner brands have strong positions in Scandinavia within several product categories.

Sales of high-performance products under the Husqvarna brand have increased substantially in recent years.

Market position

The Group's market shares are estimated at approximately 10–30%, depending on product category, with the highest shares for garden tractors, electric lawn mowers and chainsaws.

Customers and distribution

Almost half of sales refer to large national and international retail chains and DIY outlets such as B&Q, Carrefour, Bauhaus and K-Rauta. The rest of sales refer to smaller independent retailers and servicing dealers. Outside North America, Husqvarna-branded products are sold exclusively to servicing dealers, who have strong positions for high-performance products.

The market for consumer products shows a trend to an increasing share of distribution by large retail chains, but to a lesser extent than in North America. Group sales to these customers have grown gradually. Group sales of consumer products to servicing dealers have grown at a higher rate, however.

Production

The major share of electrically-driven products are produced in a plant in the UK. Petrol-powered trimmers, chainsaws and lawn mowers are manufactured in a smaller plant in Italy. Other products are either produced in the Group's plants in the US or sourced from Asia.

Professional Products

Operations in this business area involve development, manufacture and marketing of a wide range of portable products such as chainsaws, clearing saws, trimmers and leaf blowers, as well as lawn mowers, riders and other special wheeled products for landscape maintenance. The product range also includes machines, diamond tools and other equipment for cutting e.g. concrete and stone, as well as a comprehensive range of accessories.

In 2005 sales amounted to SEK 10.4 billion, corresponding to 36% of Husqvarna's total net sales. The average number of employees was 5,627.

Operations are divided into three user areas: Forestry, Lawn and garden, and Construction.

These areas show varied seasonal sales patterns, i.e. most sales within Lawn and garden are during the first half of the year, while the greater share of sales in Forestry are in the second half. Sales within Construction are more evenly distributed over the year.

Key data[1)]

Professional Products

SEKm, unless otherwise stated	2005[2)]	2004[2)]	2003[3)]
Net sales	10,408	9,623	9,596
Operating income	1,739	1,521	1,462
Operating margin, %	16.7	15.8	15.2
Net assets	4,626	3,905	4,117
Return on net assets, %	38.4	36.4	35.0
Capital expenditure	400	453	352
Average number of employees	5,627	5,616	5,759

1) Key data correspond to the information reported by Electrolux for the Outdoor Products segment.
2) Reported in accordance with IFRS.
3) Reported in accordance with standards and interpretations issued by the Swedish Financial Accounting Standards Council.

Products	Major brands	Location of major plants	Major competitors
Forestry equipment – chainsaws and clearing saws	Husqvarna Jonsered	Sweden	Stihl
Equipment for lawn and garden maintenance	Husqvarna Jonsered Bluebird Yazoo/Kees	Sweden USA	Stihl, Echo John Deere Scag Toro
Equipment for the construction and stone industries – power cutters and diamond tools	Partner Dimas Diamant Boart	Sweden Belgium Spain Portugal Greece USA	Saint Gobain Tyrolit Wheelabrator

Husqvarna and Jonsered are two of the world's three leading brands for professional chainsaws.

The product offering also includes a wide range of protective clothing and accessories.

A new clearing saw with thermostat-controlled heating in the handle.

User area Forestry

The Group manufactures a wide range of high-performance chainsaws for various geographical areas and climates. The product range also includes clearing saws and accessories such as chains, blades, protective clothing and tools.

These products are developed for users who demand high levels of performance, durability and ergonomy and meet most needs for forest management and tree care.

In 2005, the Forestry user area accounted for almost half of the Group's total sales of professional products.

Products are sold under the Husqvarna and Jonsered brands, with Husqvarna accounting for a dominant share of sales. Husqvarna and Jonsered are two of the three leading brands for chainsaws in the global market, with a combined market share of approximately 40% in the professional segment.

The market

Mechanization within the forestry sector has led to declining demand for professional chainsaws in the traditional European and North American markets over many years. In contrast, demand has increased in new markets in Latin America and Eastern Europe. Consumer demand for professional products has also increased. These trends have led to an increase in the total market for chainsaws in recent years.

Customers and distribution

The greater share of sales are through own sales companies to servicing dealers. In smaller markets, products are sold through distributors. The Group is represented in more than 100 countries through a total of more than 20,000 dealers.

Production

Chainsaws are manufactured in a large plant in Sweden and a smaller plant in São Carlos, Brazil.

Husqvarna's most advanced rider is designed for professional users and features all-wheel drive.

User area Lawn and garden

The product range within Lawn and garden includes riders and walk-behind lawn mowers as well as specially developed wheeled products for landscape maintenance. The range also includes portable equipment such as trimmers, hedge cutters and leaf blowers. The Husqvarna brand accounts for the major share of sales, complemented by Jonsered as well as Bluebird and Yazoo/Kees for a limited range of products in the US.

In recent years, Husqvarna has gradually extended its product range and presence in this area, which accounted for almost one-quarter of the Group's sales of professional products in 2005. Approximately half of sales refer to North America and the rest mainly to Europe.

Products within Lawn and garden must meet demands for performance, durability and comfort. An effective process and organization for technical service is also essential for success in this area, where larger lawn mowers are priced at more than SEK 100,000.

The market

North America is the largest market for this type of equipment, followed by Europe. Market growth is higher than in the consumer segment, as an increasing share of companies and private individuals purchase garden-care and landscape-maintenance services, particularly in the US. This trend is expected to continue in coming years.

Husqvarna's market shares in North America and Europe are estimated at 5–20%, depending on product category.

Customers and distribution

Products are distributed through subsidiaries as well as independent distributors to servicing dealers and machine-rental companies.

The primary end-users are:

- Professional landscape contractors in the US and Europe.
- Municipalities and other institutional users in Europe.

Production

Production is located in one plant in Sweden and one in the US.

The product offering in Professional Lawn and garden includes edgers as well as Zero Turn mowers that can turn on their own axes, which ensures maximum accessibility and maneuvrability.

User area Construction

The Group's product range for this area comprises machines and diamond tools for the construction and stone industries, which are sold mainly under the Dimas, Partner, Target and Diamant Boart brands. Operations have grown through a number of acquisitions since the late 1990s. Husqvarna is today the world's largest manufacturer within these product categories.

In 2005 this user area accounted for almost one-third of the Group's total sales of professional products. The greater share of sales refer to Western Europe and North America.

These machines include floor saws, tile and masonry saws and wall and wire saws as well as drill motors with drill stands and power cutters. Diamond tools, which are consumables are cutting tools that are mounted on the machines. Husqvarna's range of diamond tools includes saw blades, diamond wires, drill bits, and tools for calibration, grinding and profiling. Customers who buy the above machines also buy the Group's diamond tools too a large extent.

The above products must meet rigorous criteria for performance, operating economy and reliability. Other important factors for success include a broad product offering, highly accurate deliveries and effectively performing functions for support and technical service.

The market

Sales in the construction industry are driven mainly by the need for maintenance and renovation of roads and building, development of infrastructure, and construction of industrial facilities. In the stone industry, demand is driven by the increasing use of stone in both residential and commercial properties. Demand for stone-processing equipment is declining in Europe, but total global demand is increasing on the basis of growth in other parts of the world, primarily Asia and South America.

Husqvarna is estimated to have a global market share of approximately 13%. The Group is the market leader in Europe and the US in several product categories.

Customers and distribution

Products for the construction industry are sold primarily through rental firms and specialized dealers, as well as directly to large contractors.

Products for the stone industry are sold more or less exclusively to end-users, i.e. companies that quarry and/or process stone.

Production

Production is located mainly in Sweden, Belgium, Spain, Portugal, Greece and the US. The Group has a wholly-owned plant in China which accounts for an increasing share of production of floor and tile saws. The Group also has service facilities in a number of countries.

Legal matters and supplementary information

For a description of the material agreements to which Husqvarna is a party, including the contractual relation between Electrolux and Husqvarna in connection with the separation, as well as disputes and other liability issues in which Husqvarna is involved, see section "Legal matters and supplementary information" in the prospectus.

The new Partner power cutters feature substantially lower levels of emissions, vibrations and noise.

Dimas Gyro – a unique, flexible drilling system for the construction industry.

Summary of Husqvarna pro forma financial statements

The consolidated pro forma financial statements given below have been compiled in order to illustrate the financial position of the Husqvarna Group, which is currently being formed, if the Group had been established and capitalized as of January 1, 2005 for the pro forma income statement, and December 31, 2005 for the pro forma balance sheet.

Establishment of the new Husqvarna Group

In advance of the proposed distribution and listing of Husqvarna, a number of the Electrolux Group's subsidiaries and business units in about 40 countries are being restructured to create the new Husqvarna Group. On completion of the restructuring, the new Husqvarna Group will consist of more than 60 companies.

Subsidiaries and business units in many countries were transferred to Husqvarna during the period September – December 2005. Additional subsidiaries were transferred primarily in January 2006. Transfer of US operations will be completed before the shares are distributed.

Financing the new Group

Equity in the Husqvarna Group has increased through the conveyance of companies and cash funds. Prior to its separation from Electrolux, Husqvarna will utilize the binding credit pledges received from a number of banks for additional financing of operations and for replacing intra-group liabilities and receivables.

Pro forma income statement

SEKm	2005
Net sales	28,768
Cost of goods sold	–21,109
Gross operating income	**7,659**
Other operating expenses	–4,788
Operating income	**2,871**
Financial items, net	–479
Income after financial items	**2,392**
Taxes	–789
Income for the period	**1,603**

Pro forma balance sheet

SEKm	2005
Property, plant and equipment	3,846
Intangible assets	2,182
Deferred tax assets	756
Financial assets	175
Inventories etc.	6,264
Trade receivable and other receivables	3,325
Other current assets	700
Liquid funds	1,000
Total assets	**18,248**
Equity	4,717
Non-current liabilities	7,731
Current liabilities	5,800
Total equity and liabilities	**18,248**

Key data

	2005
Operating margin, %	10.0
Net assets, SEKm	10,017
Return on net assets, %	25.2
Net debt, SEKm	5,300
Net debt/equity ratio	1.12
Net debt/EBITDA	1.4
Equity/assets ratio, %	25.8
Number of shares[1]	293,508,749
Earnings per share, SEK	5.46
Equity per share, SEK	16.07

1) Based on the latest figure available for the number of dividend-bearing shares in Electrolux.

Definitions

Operating margin
Operating income expressed as a percentage of net sales.

Net assets
Total assets excluding liquid funds and interest-bearing financial receivables, less operating liabilities, non-interest-bearing provisions and deferred tax liabilities.

Return on net assets
Operating income expressed as a percentage of average net assets.

Net debt
Interest-bearing liabilities, less liquid funds and other financial assets.

Net debt/equity ratio
Net debt in relation to equity.

Equity/assets ratio
Equity as a percentage of total assets.

Earnings per share
Income for the period divided by the number of shares providing entitlement to dividends.

Equity per share
Equity divided by the number of shares providing entitlement to dividends.

Summary of Electrolux pro forma financial statements

A pro forma income statement for Electrolux for 2005 and a pro forma balance sheet as of December 31, 2005 are given below.

The pro forma financial statements have been compiled to illustrate the financial position of the Electrolux Group if the Husqvarna Group had been established and capitalized as of January 1, 2005 for the pro forma income statement, and December 31, 2005 for the pro forma balance sheet. The pro forma financial statements for Electrolux are based on the pro forma financial statements for Husqvarna that are given on the previous page.

Pro forma income statement

SEKm	2005
Net sales	100,701
Cost of goods sold	–77,289
Gross operating income	**23,412**
Other operating expenses[1]	–22,467
Operating income	**945**
Financial items, net	–248
Income after financial items	**697**
Taxes	–914
Income for the period	**–217**

1) Of which items affecting comparability in the amount of SEK 2,980m.

Pro forma balance sheet

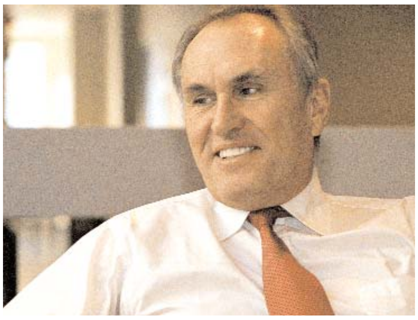
SEKm	2005
Property, plant and equipment	14,776
Intangible assets	3,918
Deferred tax assets	2,194
Derivative instruments	118
Financial assets	1,766
Inventories etc.	12,342
Trade receivable and other receivables	20,944
Other current assets	4,209
Liquid funds	4,043
Total assets	**64,310**
Equity	21,171
Non-current liabilities	17,628
Current liabilities	25,511
Total equity and liabilities	**64,310**

Key data

	Including items affecting comparability	Excluding items affecting comparability
Operating margin, %	0.9	3.9
Net assets, SEKm	18,149	22,999
Return on net assets, %	5.0	17.6
Net debt, SEKm	–2,325	–2,325
Net debt/equity ratio	–0.1	–0.1
Net debt/EBITDA	–0.6	–0.4
Equity/assets ratio, %	32.9	41.9
Number of shares[1]	293,508,749	293,508,749
Earnings per share, SEK	–0.74	8.88
Equity per share, SEK	72.13	88.66

1) Based on the latest figure available for the number of dividend-bearing shares in Electrolux.

Husqvarna's Board of Directors, Auditors and Group Management


Lars Westerberg


Bengt Andersson


Peggy Bruzelius


Börje Ekholm


Tom Johnstone


Anders Moberg

Board of Directors

Lars Westerberg
Board Chairman, elected in 2006.
Born 1948, M Sc Eng., MBA.
Member of the Remuneration Committee.
Other assignments/positions: President and CEO and Board member of Autoliv Inc. Board member of Haldex AB, Plastal Holding AB, Charles Westerberg & Co AB and Westbarn Invest AB.
Holding in Electrolux: 0 shares.

Bengt Andersson
Board member, elected in 1991.
Born 1944, Engineer.
President and CEO of Husqvarna as of 2006, Head of Outdoor Products and Senior Executive Vice-President of Electrolux since 2002.
Other assignments/positions: Board member of KABE AB. Chairman of Jönköping University Foundation, Sweden.
Holding in Electrolux: 4,750 B-shares, 10,000 options.

Peggy Bruzelius
Board member, elected in 2006.
Born 1949, M Econ, Hon. Doc. in B.A.
Member of the Audit Committee.
Other assignments/positions: Board Chairman of Lancelot Asset Management AB. Deputy Chairman of Electrolux. Board member of Axfood AB, Body Shop International Plc, Industry and Commerce Stock Exchange Committee, Axel Johnson AB, Ratos AB, Scania AB, Syngenta AG, Arts and Business Sweden, K&N Service AB and the Association of the Stockholm School of Economics.
Holding in Electrolux: 5,000 B-shares.

Börje Ekholm
Board member, elected in 2006.
Born 1963, M Sc Eng., MBA.
Chairman of the Audit Committee.
Other assignments/positions: President and CEO of Investor AB. Board Chairman of WM-data AB and Biotage AB. Board member of AB Chalmers Invest, Greenway Medical Technologies Inc. and Tessera Technologies Inc. Board member in a number of subsidiaries of Investor AB.
Holding in Electrolux: 2,000 B-shares.

Tom Johnstone
Board member, elected in 2006.
Born 1955, M.A., Hon. Doc. in B.A.
Other assignments/positions: President and CEO and Board member of AB SKF. Board member of Electrolux.
Holding in Electrolux: 1,200 B-shares.

Anders Moberg
Board member, elected in 2006.
Born 1950. Member of the Remuneration Committee.
Other assignments/positions: President and CEO of Royal Ahold. Board Chairman of Clas Ohlson AB. Deputy Chairman of ICA AB. Board member of DFDS A/S and Velux A/S, Denmark.
Holding in Electrolux: Own: 6,000 B-shares.
Related parties: 1,200 B-shares.


Gun Nilsson


Peder Ramel


Annika Ögren


Malin Björnberg


Carita Spångberg


Fredrik Währborg

Gun Nilsson
Board member, elected in 2006.
Born 1955, M Econ.
Member of the Audit Committee.
Other assignments/positions: Executive Vice-President, Deputy CEO and Head of Corporate Development in Duni AB. Board member of Handelsbanken Fonder AB, SPP Fonder AB, LFV-Group, Swedish Golf Federation, YRA AB, Lidingö Golfklubbs Fastighetsaktiebolag, Svenska Golftourerna AB. Board member in subsidiaries of Duni AB. Deputy Board member of Art Photo Foundation Norden AB.
Holding in Electrolux: 0 shares.

Peder Ramel
Board member, elected in 2006.
Born 1955, M Econ.
Chairman of the Remuneration Committee.
Other assignments/positions: President of B2Bredband AB. Board member of MACAB AB.
Holding in Electrolux: 0 shares.

Employee representatives

Members

Annika Ögren
Born 1965, Representative of the Swedish Confederation of Trade Unions.
Other assignments/positions: Chairman of IF Metall, Husqvarna. Employee representative on the Electrolux Board.
Holding in Electrolux: 0 shares.

Malin Björnberg
Born 1959, Representative of the Federation of Salaried Employees in Industry and Services.
Other assignments/positions: Marketing assistant in Husqvarna Construction Product Sweden AB. Employee representative on the Electrolux Board. Chairman of SIF, Jonsered.
Holding in Electrolux: 100 B-shares.

Deputies

Carita Spångberg
Born 1968, Representative of the Swedish Confederation of Trade Unions.
Other assignments/positions: Deputy Chairman of IF Metall, Husqvarna. Deputy Member of Huskvarna Folkets Park Förening upa.
Holding in Electrolux: 0 shares.

Fredrik Währborg
Born 1974, Representative of the Federation of Salaried Employees in Industry and Services.
Other assignments/positions: Laboratory Engineer in R&D, Husqvarna. Chairman of CF, Husqvarna.
Holding in Electrolux: 0 shares.

Auditors

Anders Lundin
PricewaterhouseCoopers AB
Born 1956, Authorized Public Accountant.
Member of FAR.
Auditor-in-charge since 2006.
Other audit assignments: AarhusKarlshamn, ASSA ABLOY, Axis, Bong Ljungdahl, Industrivärden and Säkl.
Holding in Electolux: 0 shares.


Bengt Andersson


Bo Andreasson


Robert E. Cook


Hans Linnarson


Anders Ströby


Bernt Ingman


Åsa Stenqvist


Olle Wallén


Lars Worsøe-Petersen

Group Management

Bengt Andersson
President and CEO 2006
Born 1944, Engineer.
Head of Outdoor Products and Senior Executive Vice-President of Electrolux since 2002. Joined Electrolux in 1973.
Other assignments/positions: Board member of KABE AB. Chairman of Jönköping University Foundation, Sweden.
Holding in Electrolux: 4,750 B-shares, 10,000 options.

Bo Andreasson
Head of Forestry 2002
Executive Vice-President of Husqvarna AB 2006.
Born 1951, M Sc. Eng. Joined Electrolux in 1982.
Other assignments/positions: Board member of Husqvarna Norway AS, Member of the Jönköping Chamber of Commerce. Member of Jönköping's Business and Industry Association. Deputy Board member of Andreasson Musik AB.
Holding in Electrolux: 0 shares, 5,000 options.

Robert E. Cook
Head of Consumer Products North America 2003
Executive Vice-President of Husqvarna AB 2006.
Born 1943, Graduate in Law. Joined Electrolux in 1989.
Other assignments/positions: Board member of Volvo Trucks North America Inc. and Mack Trucks Inc.
Holding in Electrolux: 0 shares, 5,000 options.

Hans Linnarson
Head of Consumer Products Rest of the world 2004 and Professional Lawn and garden 2006
Executive Vice-President of Husqvarna AB 2006.
Born 1952, M Sc Eng. Joined Electrolux in 1994.
Other assignments/positions: Board member of Beijer Electronics AB. Chairman of Husqvarna Outdoor Products Italia S.p.A. Board member of Husqvarna UK Ltd.
Holding in Electrolux: 40 B-Shares, 5,000 options.

Anders Ströby
Head of Construction 1996
Executive Vice-President of Husqvarna AB 2006.
Born 1953, M Sc Eng. Joined Electrolux in 1980.
Other assignments/positions: Board member of Diamant Boart Philippines. Board Chairman and Board member of various subsidiaries of Husqvarna.
Holding in Electrolux: Own: 0 shares, 45,000 options. Related parties: 3,000 B-shares.

Bernt Ingman
Chief Financial Officer 2006
Born 1954, M Econ. Most recently employed by Munters AB as Executive Vice-President and CFO.
Other assignments/positions: Board Chairman of Merpac AB. Board member of Schneidlerföretagen AB.
Holding in Electrolux: 0 shares, 0 options.

Åsa Stenqvist
Head of Group Staff Communications and Investor Relations 2006
Born 1947, B.A., Degree in Communications.
Joined Electrolux in 1982.
Other assignments/positions: –
Holding in Electrolux: Own: 710 B-Shares, 5,000 options. Related parties: 966 B-shares.

Olle Wallén
Head of Group Staff Legal Affairs and Husqvarna Board Secretary 2006
Born 1953, M of Laws. Joined Electrolux in 1993.
Other assignments/positions: Board member of Electrolux Holding B.V.
Holding in Electrolux: 0 shares, 30,000 options.

Lars Worsøe-Petersen
Head of Group Staff Human Resources 2005
Born 1958, M Econ. Joined Electrolux in 1994.
Other assignments/positions: –
Holding in Electrolux: 0 shares, 5,000 options.

The Husqvarna share and ownership

The share capital of Husqvarna amounts to SEK 495 million. The number of shares and the proportion of series A- and B-shares will initially correspond to the number and proportion of dividend-bearing shares in Electrolux. One series A-share entitles the holder to one vote, and one series B-share to one-tenth of a vote. Each qualified voter may vote for the full number of shares held, without limitation. Each share carries equal rights to dividend and to any surplus in case of liquidation.

The tables below show the Husqvarna's ownership structure and shareholdings by size, assuming that shares are distributed on a 1:1 basis as of December 31, 2005 based on information from VPC. The ownership structure will initially be the same as in Electrolux, which has about 60,900 shareholders.

Shareholders	Number of A-shares	Number of B-shares	Total number of shares	Share capital, %	Voting rights, %
Investor AB	8,770,771	14,918,100	23,688,871	7.7	26.0
Second Swedish National Pension Fund	–	11,062,212	11,062,212	3.6	2.8
SHB/SPP Investment Funds	–	8,615,961	8,615,961	2.8	2.3
Robur Investment Funds	–	7,713,839	7,713,839	2.5	2.0
AFA Insurance	–	5,840,466	5,840,466	1.9	1.5
SEB Investment Funds	–	5,583,170	5,583,170	1.8	1.5
Alecta Mutual Pension Insurance	–	5,514,922	5,514,922	1.8	1.4
Fourth Swedish National Pension Fund	–	5,086,940	5,086,940	1.6	1.3
Skandia Life Insurance	139,111	3,668,064	3,807,175	1.2	1.3
First Swedish National Pension Fund	–	3,039,534	3,039,534	1.0	0.8
Ten largest shareholders, total	**8,909,882**	**71,043,208**	**79,953,090**	**25.9**	**40.9**
Other external shareholders	592,393	212,553,586	213,145,979	69.0	55.1
External shareholders, total	**9,502,275**	**283,596,794**	**293,099,069**[1]	**94.9**	**96.0**

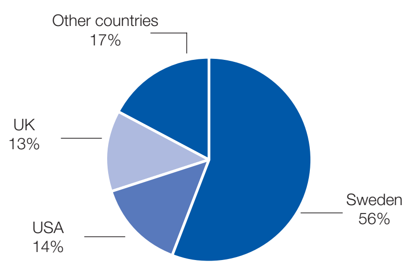
1) The number of shares in Electrolux that provide entitlement to distribution as of December 31, 2005. In addition, Electrolux owned 15,821,239 B-shares corresponding to 5.1% of capital as of December 31, 2005. These shares do not provide entitlement to dividend and have no voting rights. The number of repurchased shares could change as a result of sales and new buy-backs prior to the distribution date, and the total number of shares in Husqvarna, which will be adjusted to correspond to the number of dividend-bearing shares in Electrolux, could therefore differ from the number shown in the table.

Of the total share capital in Electrolux, about 44% was owned by foreign investors as of December 31, 2005. Most of these shareholders have their shares registered by trustee, which means that their identity is not obtainable from the VPC. Accordingly, the major foreign owners are not shown in the above table.

Shareholding, by size

Shareholding	Number of shareholders	% of shareholders
1–1,000	53,337	87.5
1,001–10,000	6,676	11.0
10,001–20,000	307	0.5
20,001–	536	1.0
Total	**60,856**	**100.0**

Shareholders by country



Risk factors

A number of factors affect and may affect the operations in Husqvarna. There are risks regarding circumstances that are linked to Husqvarna and circumstances which are not directly linked to Husqvarna but which affect the industry where Husqvarna operates.

Below is a shortened general outline of the risk factors which are described in the prospectus. For a more detailed description of the risk factors, please see the prospectus.

Risks linked to the industry and the market

Global economic conditions

A lengthy recession or sustained loss of consumer confidence in the markets in which Husqvarna operates could trigger a significant decrease in demand for Husqvarna's products and a decline in sales for the industry as well as Husqvarna.

Competition and price pressure

Husqvarna competes with strong companies which could prove to have greater resources in certain fields and which as a result could further strengthen their positions compared to Husqvarna. Husqvarna may be forced to make cost demanding restructuring of its operations in order to keep up with an increasing competition and maintain profitability, e.g. by closing down or transferring production units.

Changes in commodity prices

If material prices are increased, Husqvarna's ability to recover increased costs through higher pricing may be limited by the competitive environment and the demand. This is particularly true for consumer products.

Strategic and operational risks

Weather conditions

The demand for the Group's products is dependent on the weather. Unforeseen or unusual weather conditions in some areas or regions may have an adverse as well as a positive impact on the sales of the Group's products.

Customers

Husqvarna's Consumer Products customers are mainly major retail chains, above all Sears, but also Lowe's, Home Depot and Wal-Mart in the US and B&Q and Carrefour in Europe and through servicing dealers.

The dependence on a small number of major customers results in greater commercial and credit exposures. If Husqvarna was to experience a material reduction in orders from any of the major customers or if such a business relationship terminates or if the Group is unable to fully collect its accounts receivables from a major customer, Husqvarna could suffer significantly.

Suppliers

Husqvarna's manufacturing process depends on the availability and timely supply of raw materials and components from external suppliers. Delayed supplies or no supplies may have adverse consequences for the production and as a result have significantly adverse impacts on the Group.

Innovation and product development

Product innovation and development are critical factors in maintaining current market shares and brand positions. Introducing new products requires significant efforts in research and development, which may not result in success.

Manufacturing

Husqvarna manufactures and assembles its products in several major factories worldwide. A lengthy disruption of manufacture and production may have an adverse impact on the Group's turnover and earnings.

Employees and labor conflicts

It can not be guaranteed that Husqvarna will not need to terminate employees in the future or that key employees will not leave the company. Further, it can not be ruled out that such conflicts may occur, for example in connection with closing-down of factories or if Husqvarna chooses to move production to low cost countries.

Warranty expenses

Husqvarna's operations comprise all the steps in the value chain, i.e. research and development, manufacturing, marketing and sales. Operational failures in any operations or part of the value chain could result in quality problems or potential environmental, product and labour safety risks or risks with respect to laws and regulations.

Product liability

Under the laws of many countries, Husqvarna may under certain circumstances be forced to recall or repurchase some of its products. New and more restrictive rules may be adopted in the future.

Husqvarna is also subject to product liability claims where Husqvarna's products allegedly have caused damage or personal injury. There are no guarantees that this insurance cover is applicable in individual cases or sufficient.

Acquisitions and divestments

There are no guarantees that Husqvarna will be able to successfully integrate any businesses it acquires or that they will perform according to expectations once integrated.

Legal risks and risks related to public law and other regulations

Tax risks

The business of Husqvarna, including intra-group transactions, is conducted in accordance with the company's interpretation of prevailing laws, tax treaties, regulations, guidelines and requirements of the tax authorities in the relevant countries. In general it can, however, not be ruled out that the company's interpretation of applicable laws, tax treaties, regulations, guidelines or administrative practice is incorrect, or that such rules are changed, possibly with retroactive effect.

Environmental risks

Husqvarna's operations are linked to risks connected to the ownership and maintenance of industrial properties, such as the risk to undertake investigations and remediation of past or present contamination. Such risks may result in significant costs or other obligations.

Other developments, such as increased requirements of environmental, health and safety laws and regulations, increasingly strict enforcement of them by government authorities, and claims for damage to property and injury to persons resulting from environmental, health or safety impacts of Husqvarna's operations or past contamination, could result in an order to pay fines or conditional fines or measures under civil or criminal laws. Such developments may also prevent or restrict Husqvarna's operations.

Intellectual property rights

It is of great commercial significance for the Group that the brands are protected against unauthorized use by competitors and that the goodwill connected to the brands may be maintained. For Husqvarna's future competitive power it is of great importance that such new technologies and designs are protected against unauthorized use by competitors.

Husqvarna's present applications for trademarks, patents and designs may not result in rights being granted, or if they are granted, they may not afford sufficient protection that will not be evaded by competitors.

Disputes

Husqvarna is involved in disputes in the ordinary course of business. The disputes concern, among other things, product liability, alleged defect in delivery of goods and services, patent rights and other rights and other issues on rights and obligations in connection with Husqvarna's operations. Such disputes may prove costly and time consuming and may disrupt normal operations.

Insurance coverage

Husqvarna believes that the insurance it has taken out or intends to take out before the planned dividend for foreseen exposures is sufficient. However, there are no guarantees (1) that Husqvarna will be able to maintain the insurance coverage in the future on acceptable terms or maintain it at all, (2) that future claims will not exceed or fall outside the Group's insurance coverage through external insurance companies or (3) that Husqvarna's provisions for uninsured losses will be sufficient to cover the final costs.

Financial risks

Foreign exchange risks

Husqvarna is subject to foreign currency risks and risks arising from recalculation of balance sheets and profit and loss accounts of foreign subsidiaries.

Interest rate risks

Husqvarna will partly finance its operations through borrowing. This means that part of the company's cash flow will be used to pay interest on the company's debts, which reduces the funds available for Husqvarna's business activities and future business opportunities. A future increase in interest rates could increase the portion of the company's cash flow used for interest payments and may have an adverse effect on Husqvarna's earnings and financial position.

Future capital requirement

It can not be guaranteed that further capital may be raised on terms favourable to Husqvarna. If the company fails to raise the required capital in the future, the company's continued operations could be jeopardized.

Risks involved with holding Husqvarna shares and the separation from Electrolux

The Husqvarna share

Although the board of directors of Husqvarna intends to apply to have Husqvarna listed on the O-list of the Stockholm Stock Exchange, no guarantees can be made regarding the liquidity of the share.

Increased costs as a result of being a separate listed company

Prior to the completion of the contemplated distribution of Husqvarna shares, Husqvarna is a wholly-owned subsidiary of a listed company. As a listed company, Husqvarna will be affected by significant legal, accounting and other expenses that the company did not directly incur in the past

Refinance of existing intercompany debt with external loans

In connection with or shortly before the separation, Husqvarna will refinance its existing intercompany debt with Electrolux with financing from external lenders, primarily through two credit facilities, with an aggregate amount of SEK 11 billion. The terms of these financing arrangements and any future indebtedness may impose various restrictions and demands for financial key ratios on Husqvarna that could limit its ability to take advantage of acquisition and other business opportunities.

Tax risks

Electrolux has received a private letter ruling from the US Internal Revenue Service (IRS) regarding the contemplated distribution of the shares in Husqvarna and the US corporate restructurings preceding the distribution. The ruling confirms that these transactions will not result in any US tax consequences for Electrolux, its US subsidiaries or US shareholders of Electrolux, provided the distribution of Husqvarna shares is completed no later than June 27, 2006. If the facts or representations on which the private letter ruling is based are found to be incorrect or incomplete in a material respect or if a material covenant is not met, the companies will not be able to rely on the IRS ruling. Additionally, future events that may or may not be within the control of Electrolux or Husqvarna, including extraordinary purchases by third parties of shares in Husqvarna or Electrolux, could cause the distribution of Husqvarna shares and the preceding US corporate restructurings not to qualify as tax-free to Electrolux and/or holders of Electrolux shares. One example would be if one or more persons were to acquire a 50% or greater interest in Husqvarna or Electrolux.

Electrolux has, as an Ancillary Agreement, concluded a Tax Sharing and Indemnity Agreement with Husqvarna. Pursuant to the agreement, Husqvarna and two of its US subsidiaries have undertaken to indemnify Electrolux and its group companies for taxes that may arise in the US in certain cases. However, Electrolux is responsible for certain taxes that may arise as a result of actions or omissions by Electrolux or its shareholders.

If the distribution of Husqvarna shares or the preceding corporate restructurings were taxable in the US, then:

1) The consolidated group of which Electrolux US will be the common parent would recognize a gain equal to the excess of the fair market value of the shares in Husqvarna Outdoor Products, Inc. and Husqvarna Professional Outdoor Products, Inc. on the date of the separation over the US tax bases therein of the Electrolux US group. Electrolux has not made an appraisal of these companies but it has reviewed the financials of other outdoor companies to determine an estimated valuation. Based upon such valuation we estimate that the resulting tax would be approximately MUSD 500. Husqvarna's undertaking in the Tax Sharing and Indemnity Agreement covers these taxes in certain cases; and
2) Each US holder of Electrolux shares who receives shares in Husqvarna in the distribution would be treated as if the shareholder received a taxable distribution equal to the fair market value of the shares of Husqvarna received, taxed as a dividend to the extent of the shareholder's pro rata share of Electrolux's current and accumulated earnings and profits (including earnings and profits arising from the gain to Electrolux described in the previous section) and then treated as a non-taxable return of capital to the extent of the holder's basis in the Electrolux shares and thereafter as capital gain from the sale or exchange of Electrolux shares. The Tax Sharing and Indemnity Agreement does not give the US shareholders a right to claim indemnification for such taxes from Electrolux, Husqvarna or its subsidiaries.

Future dividend is dependent on a number of factors

Holders of shares in Husqvarna are entitled to dividend as from for the financial year 2006. The size of any future dividends is dependent on the company's future earnings, financial position, cash flow, working capital requirements and other factors.

Tax issues

Swedish tax considerations

Below follows a summary of certain Swedish tax provisions that apply in conjunction with Electrolux's distribution of shares in Husqvarna for shareholders who are resident in Sweden for tax purposes, unless otherwise stated. The summary is based on prevailing legislation and is intended as general information only. The summary below does not cover situations where the shares in Electrolux or Husqvarna are held for business purposes or as current assets in business operations or by a partnership. Special rules apply for certain categories of tax payers. The tax implications for each shareholder depend in part on the shareholder's specific circumstances. Each shareholder should therefore consult a tax advisor as to the tax consequences relating to his or her particular circumstances, including the applicability and effect of foreign rules and tax treaties.

The distribution of shares in Husqvarna is intended to be made under the Lex ASEA-provisions and will thus not result in any immediate tax consequences. The tax basis of the shares in Electrolux giving entitlement to the dividend shall be allocated between these shares and the Husqvarna shares received.

Distribution of shares in Husqvarna

At the request of Electrolux, the Swedish Tax Agency has confirmed that the distribution of shares in Husqvarna is exempt from Swedish taxation under the "Lex ASEA-provisions". The tax basis of the shares in Electrolux giving entitlement to the dividend shall therefore be allocated between these shares and the Husqvarna shares received. The allocation of the tax basis is made on the basis of the change in value of the shares in Electrolux due to the distribution of the shares in Husqvarna. Electrolux will request guidelines from the Swedish Tax Agency on the allocation of the tax basis. Information regarding the guidelines will be published as soon as possible at the web pages of Electrolux, Husqvarna and the Swedish Tax Agency.

Disposal of shares in Husqvarna

Capital gains taxation arises upon the disposal of shares in Husqvarna. The capital gain or capital loss on quoted shares is computed as the difference between the sales proceeds, after deduction for sales costs, and the tax basis. The tax basis of the shares in Husqvarna received through the distribution is to be determined on the basis of the guidelines that the Swedish Tax Agency will render. When the capital gain or the capital loss is computed, the tax basis of all shares of the same class and type in Husqvarna are added together and computed collectively under the "average method". Since the series A and series B shares in Husqvarna will be listed, the tax basis may alternatively be determined to be 20% of the net sales revenue under the "standard rule".

For individuals, a capital gain is normally taxed in the capital income category at a rate of 30%. A capital loss on quoted shares may be fully offset against taxable capital gains on shares and other listed securities that are taxed as shares, except for shares in Swedish mutual funds containing only receivables denominated in the Swedish currency (interest funds), realized in the same year as the loss[1]. A capital loss in excess of such gain will be deductible from other income from capital at 70%. Should a deficit arise in the capital income category in a given year, such deficit may reduce the tax on income from employment and business operations as well as real estate tax. The tax reduction is granted at 30% of a deficit that does not exceed SEK 100,000 and at 21% for any remaining part. Deficits may not be carried forward.

Capital gains on shares that are not held for business purposes are taxed as income from business operations at a rate of 28% for corporations and other legal entities. Capital losses on such shares may be offset against taxable capital gains on shares and other securities that are taxed as shares. Capital losses which have not been utilized within a certain year may be carried forward and be offset against eligible capital gains in future years without limitation in time.

Dividends from Husqvarna

Dividends from Husqvarna are taxed in the capital income category for individuals at 30% and as income from business operations at a rate of 28% for corporations and other legal entities. For individuals resident in Sweden a preliminary tax of 30% is withheld. The preliminary tax is generally withheld by VPC or, for nominee-registered shares, by the nominee.

Net wealth tax

Shares listed on the O-list of the Stockholm Stock Exchange are normally exempt from net wealth taxation. OMX (the owner of the Stockholm Stock Exchange) intends to introduce a pan-Nordic stock exchange list for its Nordic stock exchanges, the OMX-list, which will replace the A-list and the O-list on the Stockholm Stock Exchange. In accordance with information published by OMX, the

1) According to a change in law that entered into force on January 1, 2006, it appears that a capital loss on quoted shares can be offset against capital gains also on unlisted securities that are taxed as shares (such as subscription rights or convertible debentures). This amendment seems unintentional and it is uncertain whether it will remain.

new structure is not expected to entail any tax consequences. Shares that previously have been listed on the O-list are expected to continue to be exempted from net wealth tax. According to OMX, an application for an advance tax ruling has been filed to confirm whether this view is correct.

Shareholders not resident in Sweden

For shareholders who are not fiscally resident in Sweden and who receive dividends from Swedish corporations, Swedish withholding tax is generally payable. However, the distribution of shares in Husqvarna is exempt from Swedish withholding tax under the "Lex ASEA-provisions". The distribution may, however, entail tax consequences in the shareholder's country of residence.

Swedish withholding tax will normally be payable on dividends paid by Husqvarna to shareholders not fiscally resident in Sweden. The statutory tax rate is 30%. This rate is normally reduced by tax treaties for the avoidance of double taxation that Sweden has concluded with other countries. The withholding tax is normally withheld by VPC or, for nominee-registered shares, by the nominee.

Shareholders who are not fiscally resident in Sweden and are not carrying on business operations from a fixed place or a permanent establishment in Sweden are generally exempt from capital gains taxation in Sweden on the disposal of shares. However, shareholders may be liable for tax in their country of residence. If a shareholder, being an individual, has been resident or lived permanently in Sweden at any time during the year of the sale or the ten calendar years immediately preceding the year of the sale of Swedish shares, Sweden has the right under domestic rules to tax such holder. This right to tax is, however, limited by several tax treaties that Sweden has concluded with other countries.

Certain US federal income tax consequences

The following discussion describes the material US federal income tax consequences of the distribution of Husqvarna shares to shareholders of Electrolux in the transaction contemplated by this prospectus. This discussion is based on the Internal Revenue Code of 1986 (as amended) (the "Code"), the Treasury Regulations promulgated thereunder, judicial opinions, published positions of the IRS, and all other applicable authorities as of the date of this Prospectus, all of which are subject to change, possibly with retroactive effects.

The following discussion applies only to a holder of Electrolux common shares who holds those shares as capital assets within the meaning of the Code (generally, for investment purposes) and is for US federal income tax purposes (1) a citizen or resident of the United States, (2) a corporation or other entity taxable as a corporation organized under the laws of the US or any political subdivision thereof (including the states and the District of Columbia), (3) a trust, if a court within the US is able to exercise primary jurisdiction over its administration and one or more US persons have authority to control all substantial decisions of the trust, or the trust has made a valid election under the applicable Treasury Regulations to be treated as a US person or (4) an estate that is subject to US federal income tax regardless of its source. This discussion does not address all aspects of taxation that may be relevant to particular shareholders in light of their personal investment or tax circumstances or to persons that are subject to special tax rules. We urge you to consult your own tax advisor as to the specific tax consequences of the distribution, including the applicable federal, state, local and foreign tax consequences to you of the distribution.

Electrolux received a private letter ruling from the IRS, and will receive an opinion of Squire Sanders & Dempsey L.L.P., to the combined effect that, for US federal income tax purposes, the distribution of Husqvarna shares will generally qualify as a tax-free distribution under Sections 355 and 368 of the Code and the distribution of Husqvarna shares will also generally be tax-free to Electrolux and its shareholders and that private letter ruling also include other assurances as to tax matters relating to the separation that the Electrolux Board of Directors deems appropriate. Electrolux received the IRS ruling dated June 27, 2005. It addresses certain issues relevant to the qualification of the distribution of Husqvarna shares as a tax-free distribution under Sections 355 and 368 of the Code, except with respect to any "excess loss account" or "intercompany transaction" required to be taken into account by Electrolux under the Treasury regulations relating to consolidated returns.

Principal US Federal Income Tax Consequences to Shareholders of Electrolux

Based on the IRS ruling and the opinion that Electrolux will receive from Squire Sanders & Dempsey L.L.P., for US federal income tax purposes:

- no gain or loss will be recognized by, and no amount will be includible in the income of, a holder of Electrolux shares solely as a result of the receipt of Husqvarna shares in the distribution;
- the holding period for the Husqvarna shares received in the spin off will include the period during which the Electrolux shares with respect to which such shares was received was held;
- and the aggregate basis of the Electrolux and Husqvarna shares in the hands of each Electrolux shareholder after the distribution will, in each instance, be the same as the aggregate basis of the Electrolux share held by such shareholder immediately before the distribution, allocated in proportion to the fair market value of each.

We urge you to consult your own tax advisor as to the specific tax consequences of the separation.

Certain UK tax considerations

What follows is intended as a general guide to certain aspects of current UK law and practice as presently applied to the distribution and listing of shares in Husqvarna to shareholders who are resident for tax purposes in the UK. The comments may not apply to certain categories of UK resident shareholders (such as dealers in securities).

Distribution of shares in Husqvarna

The distribution of shares in Husqvarna to Electrolux shareholders takes place, under Swedish company law, via a dividend distribution and does not involve any partial liquidation or return of capital by Electrolux. Electrolux shareholders who are resident for tax purposes in the UK and who receive a distribution of shares in Husqvarna should therefore be treated as receiving income equal to the value of the shares in Husqvarna received. Such income will generally constitute income from foreign possessions assessable under Case V of Schedule D and shareholders may have a liability to income tax or (as the case may be) to corporation tax, depending on their own particular circumstances.

The distribution of shares in Husqvarna should constitute income in the hands of UK shareholders, the base cost (for the purposes of taxation of capital gains) of shareholder's holding in Electrolux should not require to be adjusted in consequence of the distribution of shares in Husqvarna.

As described under "Swedish tax considerations – Shareholders not resident in Sweden", the distribution of shares in Husqvarna is exempt from Swedish withholding tax.

Disposal of shares in Husqvarna

Shareholders resident in the UK who, having received Husqvarna shares by way of distribution, subsequently sell or otherwise dispose of those shares may, depending on their particular circumstances, incur a liability to UK taxation of capital gains. For these purposes, a UK shareholder's acquisition cost should be equal to the amount taxed as income on receipt of the Husqvarna shares.

UK shareholders who are in any doubt about their position should consult their professional advisor without delay.

Dividends from Husqvarna

Dividends payable in the future to UK resident shareholders in respect of their new holding of Husqvarna shares will likewise generally constitute income from foreign possessions. Under the terms of the Double Taxation Convention presently in force between Sweden and UK, Swedish tax may be withheld from dividends payable by a Swedish company to certain classes of UK resident shareholders but so long as the UK shareholders is the beneficial owner of the dividend and provided the shareholding is not effectively connected with a permanent establishment in Sweden, the Swedish tax will not exceed 5% of the dividend. Such tax withheld in Sweden will generally be available as a credit to set against the shareholder's liability to UK tax in respect of dividend.

- The prospectus is available on request
  – by e-mail to electrolux@strd.se
  – by telephone +46 8 449 89 49
- The prospectus is also available on Electrolux website, www.electrolux.com/ir

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